

AMENDED IN SENATE JUNE 16, 1999  
AMENDED IN ASSEMBLY APRIL 28, 1999  
AMENDED IN ASSEMBLY APRIL 19, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

## ASSEMBLY BILL

No. 1243

Introduced by Committee on Agriculture (Cardoza (Chair),  
Maldonado (Vice Chair), Brewer, Florez, Reyes, Thomson,  
and Wiggins)

February 26, 1999

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An act to amend Sections 44975, 77002, 77007.5, 77008, 77030, 77032, 77034, 77090, 77091, 77093, 77095, 77096, and 77097 of, and to add Sections 58897, 77003.5 and 77003.6 to, the Food and Agricultural Code, relating to agriculture.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1243, as amended, Committee on Agriculture. ~~California—Walnut—Commission~~ Agricultural products: marketing.

#### ~~Existing~~

*(1) Under existing law, commencing July 1, 1992, the fee paid to the Secretary of Agriculture by avocado handlers for inspection and certification is not to be greater than 18¢ per hundredweight of pounds prepared for market.*

*This bill would reinstate the fee limitation of 25¢ per hundredweight of pounds prepared for market that was in effect from July 1, 1990, to June 30, 1992.*

(2) *This bill would also authorize market orders to contain provisions for the establishment and operation of an indemnity trust fund to cover catastrophic events, as prescribed.*

(3) Existing law establishes the California Walnut Commission and authorizes the commission to promote the sale of walnuts by advertising and other promotional means, to educate and instruct the wholesale and retail trade in foreign markets, to make market surveys and analyses, and to conduct marketing research.

~~This~~

(4) *This bill would ~~authorized~~ authorize the commission to promote the sale of walnuts for the purpose of creating, maintaining, and expanding domestic and foreign markets, to educate and instruct the wholesale and retail trade in domestic markets with regard to proper methods of handling and selling walnuts, and to present facts to, and negotiate with, local, state, federal, and foreign agencies on matters that affect the walnut industry, as prescribed. The bill would authorize the commission to conduct research, to accept prescribed funds and to make contributions to other entities for the purposes of maintaining, promoting, and enhancing the walnut industry, as specified, and to collect information, and to publish and distribute a bulletin to persons subject to regulation under these provisions. The bill would revise and make additional findings and declarations concerning the maintenance and expansion of the California walnut industry. The bill would revise the definitions of prescribed terms for purposes of these provisions.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. *Section 44975 of the Food and*  
2 *Agricultural Code is amended to read:*

3 44975. (a) Each handler of avocados shall pay to the  
4 director an inspection and certification fee each month.  
5 The fee shall be based on the number of pounds certified  
6 as determined by the director. However, in no event shall

1 the fee be greater than twenty-five cents (\$0.25) per  
2 hundredweight of pounds prepared for market ~~for the~~  
3 ~~period of July 1, 1990 through June 30, 1992. Commencing~~  
4 ~~July 1, 1992, the fee shall be not greater than eighteen~~  
5 ~~cents (\$0.18) per hundredweight of pounds prepared for~~  
6 ~~market.~~ The number of pounds certified shall be reported  
7 monthly to the director, and these reports shall include all  
8 information required by the director. The fee required by  
9 this section shall be paid no later than the 10th day of the  
10 month following the month for which the fee is payable.  
11 Any handler who fails to pay the fee within the time  
12 required shall pay the director a penalty of 10 percent of  
13 the amount determined to be due, and, in addition, 1½  
14 percent interest per month on the unpaid balance. The  
15 director may adjust the fee from time to time and reduce  
16 it whenever he finds the cost of administering this article  
17 may be defrayed from revenue derived from lower fees.

18 (b) Notwithstanding subdivision (a), whenever the  
19 fees derived from pounds certified do not cover the cost  
20 of inspection, the director may establish hourly and  
21 mileage rates for inspection and certification of avocados  
22 based upon the cost of providing that inspection and  
23 certification. However, alternatively, a handler may  
24 present his or her avocados for inspection and  
25 certification on a date, time, and location specified by the  
26 director and pay the fees charged pursuant to subdivision  
27 (a).

28 *SEC. 2. Section 58897 is added to the Food and*  
29 *Agricultural Code, to read:*

30 *58897. A marketing order may contain provisions for*  
31 *the establishment and operation of an indemnity trust*  
32 *fund to cover livestock losses due to natural disasters or*  
33 *accidents, animal disease or poisoning, or other*  
34 *catastrophic events.*

35 *SEC. 3. Section 77002 of the Food and Agricultural*  
36 *Code is amended to read:*

37 *77002. The maintenance and expansion of the walnut*  
38 *industry of California is necessary to ensure the*  
39 *consuming public of a continuous supply of this vital food*

1 and the maintenance of needed levels of income for those  
2 engaged in the walnut industry of this state.

3 ~~SEC. 2.—~~

4 *SEC. 4.* Section 77003.5 is added to the Food and  
5 Agricultural Code, to read:

6 77003.5. The establishment of the commission is  
7 necessary for the efficient development and  
8 management of a national and international advertising  
9 and promotion program that will enhance the reputation  
10 of the California walnut industry, create a more receptive  
11 environment for the industry and its products, and  
12 increase competitiveness of the California walnut  
13 industry within the national and international  
14 marketplace. The commission is necessary to carry out  
15 the California walnut industry's commitment to  
16 responsible stewardship and increasingly efficient  
17 cultural practices.

18 ~~SEC. 3.—~~

19 *SEC. 5.* Section 77003.6 is added to the Food and  
20 Agricultural Code, to read:

21 77003.6. The successes that the walnut industry of  
22 California have enjoyed have come about in part through  
23 a commitment to industry-funded research that has led  
24 to significant improvements in the quality of the walnuts  
25 available to consumers and increasingly efficient cultural  
26 practices resulting in increased awareness of, and a more  
27 receptive environment for, the production and  
28 marketing of walnuts in domestic and foreign markets. It  
29 has also led to walnuts being a better consumer value. The  
30 establishment of the commission will maintain and  
31 enhance this research effort and make it possible for the  
32 walnut industry to realize its potential, resulting in  
33 increased consumer value and enhanced producer  
34 returns.

35 ~~SEC. 4.—~~

36 *SEC. 6.* Section 77007.5 of the Food and Agricultural  
37 Code is amended to read:

38 77007.5. Opportunity exists for continued growth and  
39 expansion of the walnut industry by creating new  
40 markets. The success of that expansion program is



1 uniquely dependent upon effective advertising,  
2 promotion, and research since the creation of new  
3 markets is essentially a matter of educating and informing  
4 people of the use, nutritional value, and availability of the  
5 commodity and enhancing the reputation of the  
6 California walnut industry. The expansion of the walnut  
7 industry also provides an important source of jobs for  
8 many people in this state, a high proportion of whom  
9 reside in historically depressed areas of the state, and  
10 serves to ensure the preservation of an agrarian society.

11 ~~SEC. 5.—~~

12 *SEC. 7.* Section 77008 of the Food and Agricultural  
13 Code is amended to read:

14 77008. The commission form of administration  
15 created by this chapter is uniquely situated to provide  
16 those engaged in the production of walnuts the  
17 opportunity to avail themselves of the benefits of  
18 collective action in the broad fields of development,  
19 maintenance, and expansion of markets, advertising,  
20 promotion, marketing research, public information and  
21 education, and production and processing research  
22 necessary to achieve the purposes stated in this chapter.

23 ~~SEC. 6.—~~

24 *SEC. 8.* Section 77030 of the Food and Agricultural  
25 Code is amended to read:

26 77030. “Marketing research” means any research  
27 relating to the marketing of walnuts in domestic or  
28 foreign markets.

29 ~~SEC. 7.—~~

30 *SEC. 9.* Section 77032 of the Food and Agricultural  
31 Code is amended to read:

32 77032. “Producer” means any person in this state who  
33 grows walnuts for market and who, upon request,  
34 provides proof of commodity sale. “Producer” does not  
35 include any person who markets 2,000 pounds or less of  
36 walnuts during a market year.

37 ~~SEC. 8.—~~

38 *SEC. 10.* Section 77034 of the Food and Agricultural  
39 Code is amended to read:

1 77034. “Advertising and sales promotion” means, in  
2 addition to its ordinarily accepted meaning, any plan  
3 directed toward increasing the sale of walnuts in  
4 domestic or foreign markets. No advertising or sales  
5 promotion plan shall make use of false or unwarranted  
6 claims on behalf of any product, or disparage the quality,  
7 value, sales, or use of any other commodity.

8 ~~SEC. 9.—~~

9 *SEC. 11.* Section 77090 of the Food and Agricultural  
10 Code is amended to read:

11 77090. The commission may promote the sale of  
12 walnuts by brand and generic advertising and other  
13 promotional means, including tie-in advertising, for the  
14 purpose of creating, maintaining, and expanding  
15 domestic and foreign markets.

16 ~~SEC. 10.—~~

17 *SEC. 12.* Section 77091 of the Food and Agricultural  
18 Code is amended to read:

19 77091. The commission may educate and instruct the  
20 wholesale and retail trade in domestic and foreign  
21 markets with respect to proper methods of handling and  
22 selling walnuts.

23 ~~SEC. 11.—~~

24 *SEC. 13.* Section 77093 of the Food and Agricultural  
25 Code is amended to read:

26 77093. The commission may present facts to, and  
27 negotiate with, local, state, federal, and foreign agencies  
28 on matters that affect the walnut industry pursuant to this  
29 chapter.

30 ~~SEC. 12.—~~

31 *SEC. 14.* Section 77095 of the Food and Agricultural  
32 Code is amended to read:

33 77095. The commission may conduct, and contract  
34 with others to conduct, research, including the study,  
35 analysis, accumulation, and dissemination of information  
36 obtained from the research or elsewhere, respecting this  
37 chapter.

38 ~~SEC. 13.—~~

39 *SEC. 15.* Section 77096 of the Food and Agricultural  
40 Code is amended to read:

1 77096. The commission may accept contributions of,  
2 or match, private, state, or federal funds and employ or  
3 make contributions of funds to other persons or state or  
4 federal agencies for purposes of maintaining, promoting,  
5 and enhancing the walnut industry pursuant to this  
6 chapter.

7 ~~SEC. 14.~~—

8 *SEC. 16.* Section 77097 of the Food and Agricultural  
9 Code is amended to read:

10 77097. The commission may collect information,  
11 including, but not limited to, industry crop statistics, and  
12 may publish and distribute without charge a bulletin or  
13 other communication for dissemination of information to  
14 persons subject to this chapter.

